

(PRE-FILED)

By: **Delegate Boteler**
Requested: November 4, 2003
Introduced and read first time: January 14, 2004
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Expiration of Prepaid Gift Certificates - Prohibition**

3 FOR the purpose of prohibiting a prepaid gift certificate from expiring before its
4 redemption; providing certain exceptions to the prohibition of this Act; defining
5 a certain term; providing for the construction and application of this Act; and
6 generally relating to the expiration of prepaid gift certificates.

7 BY adding to
8 Article - Commercial Law
9 Section 14-1319
10 Annotated Code of Maryland
11 (2000 Replacement Volume and 2003 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Commercial Law**

15 14-1319.

16 (A) IN THIS SECTION, "GIFT CERTIFICATE" MEANS A DOCUMENT OR DEVICE
17 WITH AN INTENDED CASH VALUE TO EVIDENCE A GIFT FROM THE PURCHASER TO A
18 THIRD PARTY USABLE ON ITS FACE AMOUNT IN EXCHANGE FOR GOODS OR
19 SERVICES.

20 (B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A PREPAID
21 GIFT CERTIFICATE ISSUED TO A PURCHASER MAY NOT EXPIRE BEFORE ITS
22 REDEMPTION.

23 (C) A PREPAID GIFT CERTIFICATE MAY EXPIRE BEFORE ITS REDEMPTION IF:

24 (1) THE PREPAID GIFT CERTIFICATE IS:

25 (I) DONATED BY THE ISSUER FOR A CHARITABLE OR
26 FUND-RAISING EVENT; OR

1 (II) USED FOR A SALES PROMOTION; AND

2 (2) (I) THE EXPIRATION DATE OF THE PREPAID GIFT CERTIFICATE IS
3 IMPRINTED ON THE PREPAID GIFT CERTIFICATE; OR

4 (II) THE ISSUER OF THE PREPAID GIFT CERTIFICATE GIVES
5 WRITTEN NOTICE OF THE EXPIRATION DATE TO THE RECIPIENT OF THE PREPAID
6 GIFT CERTIFICATE.

7 SECTION 2. AND BE IT FURTHER ENACTED, That an obligation or
8 contract right in existence or in effect before October 1, 2004, may not be impaired in
9 any way by this Act.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be
11 construed to apply only prospectively and may not be applied or interpreted to have
12 any effect on or application to any prepaid gift certificate issued before the effective
13 date of this Act.

14 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take
15 effect October 1, 2004.